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AJMER STATE GOVERNMENT

Law and Judicial Department

Ajmer, the 6th July 1955

The following Act of the Ajmer Legislative Assembly received the assent of the President on 28th June, 1955 and is hereby published for general information:—

THE AJMER SALES TAX ACT, 1955

ACT No. IV OF 1955

An Act to impose a general tax on the sale of goods in Ajmer.

BE it enacted by the Legislative Assembly of the State of Ajmer as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Ajmer Sales Tax Act, 1955.

(2) It extends to the whole of the State of Ajmer.

(3) It shall come into force on such date as the State Government may by notification in the official Gazette, appoint.

2. Definitions.—(1) In this Act, unless the context otherwise requires,—

(a) 'Collector' means the Collector of Sales Tax appointed under sub-section (1) of section 3;

(b) 'contract' means any agreement for carrying out for money consideration—

(i) the construction, fitting out, improvement, or repair of any building, road, bridge or other immovable property, or

(ii) the installation or repair of any machinery affixed to a building or other immovable property, or

(iii) the overhaul or repair of any motor vehicle;

(c) 'dealer' means any person, firm or Hindu joint family engaged in or carrying on the business of selling goods in the State of Ajmer.

Explanation 1.—A co-operative society or a club or any association which sells goods to its members is a dealer.

Explanation 2.—A factor, a broker, a commission agent, a *del credere* agent, an auctioneer or any other mercantile agent by whatever name called, and whether of the same description as herein-before mentioned or not, who carries on the business of selling goods and who has, in the customary course of business, authority to sell goods belonging to principals is a dealer.

Explanation 3.—The manager or an agent in the State of Ajmer of a dealer who resides outside the State and carries on the business of selling goods in the State shall, in respect of such business, be deemed to be a dealer;

(d) 'goods' includes all materials, commodities and articles and electrical energy, but does not include actionable claims, stocks, shares, securities, money and newspapers.

Explanation.—Goods supplied in the execution of a contract shall be deemed to be goods for the purposes of this Act;

(e) 'Judicial Commissioner' means the Judicial Commissioner of the State of Ajmer;

(f) 'prescribed' means prescribed by rules made under this Act;

(g) 'registered' means registered under this Act;

(h) 'sale' means any transfer of property in goods for money consideration and includes a transfer of property in goods supplied in the execution of a contract, but does not include a mortgage, hypothecation, charge or pledge; and any grammatical variations of the expression 'sale' shall be construed, accordingly.

Explanation.—A transfer of goods on hire-purchase or other instalment system of payment shall, notwithstanding that the seller retains a title to any goods as security for payment of the price, be deemed to be a sale;

(i) 'sale price' means—

(i) in the case of a sale which consists in the transfer of property in goods supplied in the execution of a contract (hereinafter referred to as a sale involved in the execution of a contract)—such portion of the amount of the money consideration for the contract as may be prescribed, representing the price of the goods supplied;

(ii) in other cases of sale, the amount of the money consideration for the sale, less any sum allowed as cash discount according to ordinary trade practice, but including any sum charged for anything done by the dealer in respect of the goods at the time

of, or before, delivery thereof, other than the cost of freight or delivery or the cost of installation when such cost is separately charged;

(j) 'State Government' means the Chief Commissioner of Ajmer;

(k) 'turnover' used in relation to any period means the aggregate of the sale-prices or parts of sale-prices receivable, or if a dealer so elects, actually received by the dealer during such period after deducting the amounts, if any, refunded by the dealer in respect of any goods returned by the purchaser within such period:

Provided that an election as aforesaid once made shall not be altered except with the permission of the Collector and on such terms and conditions as he may think fit to impose;

(l) 'year' means the financial year.

(2) The General Clauses Act, 1897 (X of 1897) applies for the interpretation of this Act as it applies for the interpretation of a Central Act.

3. Taxing authorities.—(1) For carrying out the purposes of this Act, the State Government may appoint a person to be the Collector of Sales Tax, together with such other persons to assist him as it thinks fit.

(2) Persons appointed under this section shall exercise such powers as may be conferred and perform such duties as may be imposed by or under this Act.

(3) All persons appointed under this section shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (XLV of 1860).

4. Incidence of taxation.—(1) With effect from such date as the State Government may, by notification in the official Gazette appoint, being not earlier than thirty days after the date of the said notification, every dealer whose gross turnover during the twelve months immediately preceding the commencement of this Act exceeded six thousand rupees shall be liable to pay tax under this Act on the sale of goods specified in a notification issued under section 5 effected after the date so notified:

Provided that the tax shall not be payable on sales involved in the execution of a contract which is shown to the satisfaction of the Collector to have been entered into on or before the date so notified.

(2) Every dealer to whom sub-section (1) does not apply, shall, if his gross turnover calculated from the commencement of any year exceeds six thousand rupees at any time within such year, be liable to pay tax under this Act, on the expiry of two months from the date on which such gross turnover first exceeds six thousand rupees on the sale of goods specified in a notification issued under section 5, effected after such expiry.

(3) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until the expiry of three consecutive years, during each of which his gross turnover has failed to exceed six

thousand rupees and such further period after the date of such expiry as may be prescribed, and on the expiry of this latter period his liability to pay tax shall cease.

(4) Every dealer whose liability to pay tax under this Act has ceased under the provisions of sub-section (3) shall, if his gross turnover calculated from the commencement of any year again exceeds six thousand rupees at any time within such year, be liable to pay such tax on the expiry of two months from the date on which such gross turnover again first exceeds six thousand rupees on the sale of goods specified in a notification issued under section 5, effected after such expiry.

5. Rate of tax.—(1) The tax payable by a dealer under this Act shall be levied on his taxable turnover in respect of such goods as the State Government may by notification in the official Gazette, from time to time, specify (hereinafter referred to as the 'taxable goods') and at such rate not exceeding one anna in the rupee as may be specified in the said notification:

Provided that—

(i) no tax shall be levied on the turnover in respect of the sale of goods specified in the First Schedule;

(ii) the tax on the turnover in respect of the sale of goods specified in the Second Schedule shall not be levied at a rate exceeding six pies in the rupee;

(iii) the tax on the turnover in respect of the sale of motor spirit may be levied at such rate not exceeding one and a quarter anna in the rupee as may be specified in the said notification.

(2) In this section, the expression 'taxable turnover' means that part of a dealer's turnover in respect of the taxable goods during any period which remains after deducting therefrom—

(a) his turnover during that period on—

(i) sales to a registered dealer—

of goods of the class or classes specified in the certificate of registration of such dealer, as being intended for resale by him or for use by him in the manufacture of goods for sale or for use by him in the execution of any contract; and

of containers or other materials for the packing of goods of the class or classes so specified:

Provided that in the case of such sales a declaration duly filled up and signed by the registered dealer to whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority is furnished in the prescribed manner by the dealer who sells the goods;

(ii) sales of goods which are shown to the satisfaction of the Collector to have been despatched by or on behalf of, the dealer to an address outside the State of Ajmer;

(iii) sales of goods to an exporter which are shown to the satisfaction of the Collector to have been exported outside India;

(iv) such other sales as may be prescribed;

(b) such percentum of the balance remaining after making the deductions allowed by sub-clauses (i) to (iv) as is equivalent to the rate of tax leviable on the goods calculated on the basis of the percentage of the taxable turnover.

6. Registration of dealers.—(1) No dealer shall, while being liable to pay tax under section 4 of this Act, carry on business as a dealer unless he has been registered and possesses a registration certificate.

(2) Every dealer required by sub-section (1) to be registered shall make an application in that behalf in the prescribed manner to the prescribed authority.

(3) If the said authority is satisfied that an application for registration is in order, he shall in accordance with such rules as may be prescribed, register the applicant and grant him a certificate of registration in the prescribed form which shall specify the class or classes of goods for the purposes of sub-clause (i) of clause (a) of sub-section (2) of section 5.

(4) The Collector may from time to time amend any certificate of registration in accordance with information furnished under section 15 or otherwise received.

(5) When any dealer has been convicted or has paid composition money under section 26, in respect of any contravention of sub-section (1) of this section, the Collector shall register such dealer and grant him a certificate of registration, and such registration shall take effect as if it had been made under sub-section (3) of this section on the dealer's application.

(6) When—

(a) any business in respect of which a certificate has been granted to a dealer on an application made, has been discontinued or transferred, or

(b) a dealer has ceased to be liable to pay tax under section 4 of this Act,

the Collector shall cancel the registration.

7. Voluntary registration.—(1) Any dealer whose gross turnover during a year exceeds three thousand rupees may, notwithstanding that he may not be liable to pay tax under section 4, apply in the prescribed manner to the prescribed authority for registration under this Act.

Explanation.—A dealer may apply for registration under this section although he deals exclusively in one or more classes of goods specified in the First Schedule.

(2) The provisions of sub-sections (3) and (4) and clause (a) of sub-section (6) of section 6 shall apply in respect of applications for registration under this section.

(3) Every dealer who has been registered upon application made under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act.

(4) The registration of a dealer upon application made under this section shall be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled, under the provisions of this Act.

(5) Subject to the provisions of sub-section (4), a dealer registered upon application made under this section may apply in the prescribed manner not less than six months before the end of a year to the authority which granted him his certificate of registration for the cancellation of such registration to take effect at the end of the year in which the application for such cancellation is made; and the said authority shall, unless the dealer is liable to pay tax under section 4, cancel the registration accordingly.

8. List of registered dealers to be published.—The Collector shall, as soon as may be after the commencement of this Act, publish in the official Gazette a list of the names and addresses of the registered dealers together with a description of the goods covered by the certificate of registration, and thereafter shall in like manner, from time to time, publish—

(a) such particulars of any dealer who is subsequently registered or whose registration certificate is amended or whose registration is cancelled as soon as may be after such registration or cancellation, and

(b) a consolidated list embodying the modification made in the first list published under this section.

9. Payment of tax and returns.—(1) The tax payable under this Act shall be paid in the manner hereinafter provided at such intervals as may be prescribed.

(2) Such dealers as may be required so to do by the Collector by notice served in the prescribed manner and every registered dealer shall furnish such returns by such dates and to such authority as may be prescribed.

(3) Before any registered dealer furnishes the returns required by sub-section (2), he shall, in the prescribed manner, pay into a Government Treasury or the Imperial Bank of India the full amount of tax due from him under this Act according to such returns, and shall furnish along with the returns a receipt from such Treasury or Bank showing the payment of such amount.

(4) If any dealer discovers any omission or other error in any return furnished by him, he may at any time before the date prescribed for the furnishing of the next return by him furnish a revised return; and if the revised return shows a greater amount of tax to be due than was shown in the original return, it shall be accompanied by a receipt showing payment in the manner provided in sub-section (3) of the extra amount.

10. Assessment of tax.—(1) If no returns are furnished by a registered dealer in respect of any period by the prescribed date, or if the Collector is not satisfied that the returns furnished are correct and complete, the Collector shall, within eighteen months after the expiry of such period, proceed in such manner as may be prescribed to assess to the best of his judgment the amount of the tax due from the dealer and in making such assessment shall give the dealer a reasonable opportunity of being heard; and in the case of failure by a registered dealer to submit in respect of any period, a return accompanied by receipt from a Government Treasury or the Imperial Bank of India as required under sub-section (3) of section 9 by the prescribed date, the Collector may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay by way of penalty in addition to the amount of the tax so assessed a sum not exceeding one and a half times that amount.

(2) If upon information which has come into his possession, the Collector is satisfied that any dealer who has been liable to pay tax under this Act in respect of any period but has failed to get himself registered the Collector shall proceed in such manner as may be prescribed to assess to the best of his judgment the amount of tax due from the dealer in respect of such period and all subsequent periods (and in making such assessment shall give the dealer a reasonable opportunity of being heard) and the Collector may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay by way of penalty in addition to the amount of tax so assessed a sum not exceeding one and a half times that amount.

(3) No assessment under sub-section (1) shall be made after the expiry of four years and no assessment under sub-section (2) shall be made after the expiry of six years from the end of the year in respect of which or part of which the assessment is made.

(4) The amount of tax—

(a) due where the returns are furnished without receipt showing full payment thereof, or

(b) assessed under sub-section (1), less the sum, if any, already paid by the dealer in respect of the said period, or

(c) assessed under sub-section (2),

shall, together with any penalty that may be directed to be paid under any of the provisions of this section, be paid by the dealer into a Government Treasury or the Imperial Bank of India by such date as may be specified in a notice issued by the Collector for this purpose and the date to be so specified shall be not less than thirty days from the date of service of such notice:

Provided that the Collector may, in respect of any particular dealer and for reasons to be recorded in writing, extend the date of such payment or allow such dealer to pay the tax due and the penalty if any by instalments.

(5) Any amount of tax or penalty which remains unpaid after the date specified in the said notice shall be recoverable as an arrear of land revenue.

(6) Any assessment made under this section shall be without prejudice to any prosecution instituted for an offence against this Act.

11. Refund.—(1) The Collector shall, in the prescribed manner, refund to a dealer applying in this behalf any amount of tax or penalty paid by such dealer in excess of the amount due from him under this Act, either by cash payment or, at the option of the dealer by deduction of such excess from the amount of tax due in respect of other period:

Provided that no refund shall be made unless the claim for refund is made within twelve months from the date of the assessment of tax or the date of the imposition of penalty or within six months from the date of any final order passed on appeal under section 18 or in revision or on review under section 19, or on reference under section 20, whichever period expires later.

(2) Nothing in sub-section (1) shall be deemed to empower the Collector to amend, vary or rescind any assessment or to amend, vary or rescind any order passed on appeal, revision or review under section 18 or section 19 or on reference under section 20, or to confer on a dealer any relief in addition to what he is entitled under the provisions of this Act.

12. Accounts.—Every registered dealer or other dealer on whom a notice has been served to furnish returns under sub-section (2) of section 9, shall keep a true account of the value of goods bought and sold by him, and if the Collector considers that such account is not sufficiently clear and intelligible to enable him to make a proper check of the returns referred to in that sub-section, he may require such dealer by notice in writing to keep such accounts (including records of sales) as may be prescribed.

13. Production and inspection of accounts and documents and search of premises.—(1) The Collector may, subject to such conditions as may be prescribed, require any dealer—

(a) to produce before him any accounts, registers or documents,

(b) to furnish any information, relating to the stock of goods of, or purchases, sales or deliveries of goods by, the dealer or relating to any other matter,

as may be deemed necessary for the purposes of this Act.

(2) (a) All accounts, registers and documents relating to the stocks of goods of, or purchases, sales and deliveries of goods by, any dealer; and

(b) all goods kept in any place of business of any dealer; shall at all reasonable times be open to inspection by the Collector.

(3) If the Collector has reason to suspect that any dealer is attempting to evade payment of any tax under this Act, he may,

for reasons to be recorded in writing, seize such accounts, registers or documents of the dealer as may be necessary, and shall grant a receipt for the same, and shall retain the same only for so long as may be necessary for examination thereof or for a prosecution.

(4) For the purposes of sub-section (2) or sub-section (3), the Collector may enter and search any place of business of any dealer or any other place where the Collector has, upon information received, reason to believe that the dealer keeps or is for the time being keeping any accounts, registers or documents of his business.

14. Delegation of Collector's powers.—Subject to such restrictions and conditions as may be prescribed, the Collector may by order in writing delegate any of his powers under this Act, except those under sub-section (2) of section 24, to any person appointed under section 3 to assist him.

15. Information to be furnished regarding changes of business.—If any dealer to whom the provisions of sub-section (2) of section 9 apply,—

(a) sells or otherwise disposes of his business or any part of his business or any place of business or effects or comes to know of any other change in the ownership of the business, or

(b) discontinues his business or changes his place of business or opens a new place of business, or

(c) changes the name or nature of his business or effects any change in the class or classes of goods in which he carries on his business and which is or are specified in his certificate of registration,

he shall within the prescribed time inform the prescribed authority accordingly; and if any such dealer dies, his legal representative shall in like manner inform the said authority.

16. Transfer of business.—Where the ownership of the business of a registered dealer is entirely transferred and the transferee carries on such business either in its old name or in some other name, the transferee shall for all the purposes of this Act (except for liabilities under this Act already discharged by such dealer) be deemed to be and to have always been registered as if the certificate of registration of such dealer had initially been granted to the transferee; and the transferee shall on application to the Collector be entitled to have the registration certificate amended accordingly.

17. Bar to certain proceedings.—Save as is provided in section 18 and 19 no assessment made and no order passed by under this Act or the rules made thereunder by the Collector or any person appointed under section 3 to assist him shall be called into question in any civil court, and save as is provided in sections 18 and 19. No appeal or application for revision or review shall lie against any such assessment or order.

18. Appeals.—(1) Any dealer objecting to an assessment made on him may within thirty days from the date on which he was served with a notice of assessment appeal to such Authority as may be prescribed:

Provided that no appeal shall be entertained under this sub-section unless it is accompanied by a proof of the payment of the tax in respect of which the appeal has been preferred.

Explanation 1.—For the purpose of computing the period of limitation prescribed by this sub-section, the provisions of section 12 of the Indian Limitation Act, 1908 (IX of 1908), so far as may be, shall apply.

Explanation 2.—In this section and the next succeeding section, the expression 'assessment' includes any penalty imposed under this Act.

(2) An appeal under sub-section (1) shall be made in the prescribed form and shall be verified in the prescribed manner.

(3) The appellate authority may, after giving the appellant reasonable opportunity of being heard,—

(a) confirm, reduce enhance or annul the assessment, or

(b) set aside the assessment and direct the assessing authority to pass a fresh order after such further enquiry as the appellate authority may direct.

(4) Every order passed in appeal under this section shall subject to the provisions of sections 19 and 20 be final.

(5) If the amount of assessment is reduced by the appellate authority under sub-section (3), it shall order the excess amount of tax recovered to be refunded.

19. Power of review and revision.—(1) Any assessment made or order passed under this Act or the rules made thereunder by any person appointed under section 3 may be reviewed by the person making or passing it upon application made to him within thirty days thereof or of his own motion on any of the grounds on which a civil court may review its order under Order XLVII of the Code of Civil Procedure, 1908 (Act V of 1908).

(2) The prescribed authority (hereinafter referred to as the 'Revising Authority') may on application made to it in this behalf within a period of one hundred and eighty days from the date of any order made or proceedings recorded by any person appointed under section 3 or of its own motion call for and examine the record of any such order for the purpose of satisfying himself as to the legality or propriety of any such order or as to the regularity of such proceeding and may pass such orders as it thinks fit:

Provided that where a person could have appealed under section 18, and no appeal has been filed by him, no proceedings in revision under this section shall be entertained upon the application of such person.

(3) The Revising Authority shall not pass any order under sub-section (2) prejudicially affecting any person unless such person has been given a reasonable opportunity of being heard.

(4) If the amount of assessment is reduced by the Revising Authority under sub-section (3) it shall order the excess amount of the tax recovered to be refunded.

Explanation.—For the purpose of computing the period of limitation prescribed by this section, the provisions of section 12 of the Indian Limitation Act, 1908 (IX of 1908), so far as may be, shall apply.

20. Statement of case to the Judicial Commissioner.—(1) Within sixty days from the passing by the Revising Authority of an order under section 19 affecting the liability of any dealer to pay tax under this Act, such dealer or the Collector may, by application in writing, accompanied when the application is made by a dealer by a fee of one hundred rupees, require the Revising Authority to refer to the Judicial Commissioner any question of law arising out of such order and where the Revising Authority agrees it shall draw up a statement of case and refer it to the Judicial Commissioner.

Explanation.—For the purpose of computing the period of limitation laid down in this sub-section, the provisions of section 12 of the Indian Limitation Act, 1908 (IX of 1908), so far as may be, shall apply.

(2) If, for reasons to be recorded in writing the Revising Authority refuses to make such reference the applicant may within thirty days on such refusal either—

(a) withdraw his application (and if he does so the fee shall be refunded), or

(b) apply to the Judicial Commissioner against such refusal.

(3) If upon the receipt of an application under clause (b) of sub-section (2), the Judicial Commissioner is not satisfied that such refusal was justified, he may require the Revising Authority to state a case and refer it to him and on receipt of such requisition the Revising Authority shall state and refer the case accordingly.

(4) If the Judicial Commissioner is not satisfied that the statement in a case referred under this section is sufficient to enable him to determine the question raised thereby, he may refer the case back to the Revising Authority to make such additions thereto or alterations therein as he may direct in that behalf.

(5) The Judicial Commissioner upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver his judgment thereon containing the grounds on which such decision is founded, and shall send to the Revising Authority a copy of such judgment under the seal of the court and signature of the Registrar, and the revising Authority shall dispose of the case accordingly.

(6) Where a reference is made to the Judicial Commissioner under this section, the costs [including the term of the fee referred to in sub-section (1)] shall be in the discretion of the Judicial Commissioner.

21. Collector to have certain powers of civil court.—The Collector shall, for the purposes of this Act, have the same powers as are vested in a Court under the Code of Civil Procedure, 1908 (Act V of 1908) when trying a suit, in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath or affirmation;

(b) compelling the production of documents; and

(c) issuing commissions for the examination of witnesses;

and any proceeding under this Act before the Collector shall be

deemed to be a 'Judicial proceeding' within the meaning of sections 193 and 228, and for the purposes of section 196 of the Indian Penal Code, 1860 (Act XLV of 1860).

22. Prohibition against collection of tax in certain cases.—(1) No person shall collect any amount by way of a sales tax in respect of the sale of any goods specified in the First Schedule.

(2) No person shall collect from the purchaser of any goods any amount by way of a sales tax unless he is a registered dealer and is liable to pay tax in respect of the sale of such goods under this Act.

(3) No registered dealer shall collect from the purchaser of any goods any amount by way of a sales tax in excess of the amount payable by him in respect of the sale of such goods under this Act.

23. Forfeiture of tax illegally recovered.—If any person collects from the purchaser of any goods any amount by way of a sales tax in contravention of the provisions of sub-section (1) or sub-section (2) of section 22, or if any registered dealer collects, in contravention of the provisions of sub-section (3) of that section, any amount by way of a sales tax in excess of the amount payable by him, the amount or the excess amount so collected shall, without prejudice to the right of the purchaser of the goods to recover it from such person or dealer and without prejudice to any other penalty to which such person or dealer may be liable under this Act, be forfeited to the Government and such person or dealer shall, within the prescribed period pay such amount or excess amount as the case may be, into a Government Treasury and in default of such payment the amount or the excess amount shall be recovered as an arrear of land revenue.

24. Offences and penalties.—(1) Whoever—

- (a) carries on business as a dealer in contravention of sub-section (1) of section 6; or
- (b) fails, without sufficient cause, to submit any return as required by sub-section (2) of section 9 or submits a false return; or
- (c) being a registered dealer, falsely represents when purchasing any class of goods, that goods of such class are covered by his certificate of registration; or
- (d) not being a registered dealer, falsely represents when purchasing goods that he is a registered dealer; or
- (e) fails, when required so to do under section 12 to keep the prescribed accounts or records of sales; or
- (f) refuses to comply with any requirement made to him under sub-section (1) of section 13; or
- (g) knowingly produces incorrect accounts, registers or documents, or knowingly furnishes incorrect information; or
- (h) obstructs any officer making an inspection or search or a seizure under section 13; or
- (i) neglects to furnish information required by section 15; or
- (j) contravenes the provisions of section 22;

shall be punishable with imprisonment which may extend to six months or with fine or with both and when the offence is a con-

tinuing one with a daily fine not exceeding fifty rupees during the period of the continuance of the offence:

Provided that no prosecution for an offence under this Act shall be instituted in respect of the same facts in respect of which a penalty has been made under section 10.

(2) No court shall take cognizance of any offence under this Act or under the rules made thereunder except with the previous sanction of the Collector and no court inferior to that of a magistrate of the first class shall try any such offence.

(3) All offences punishable under this Act shall be cognizable and bailable.

25. Investigation of offences.—(1) Subject to such conditions as may be prescribed, the Collector may authorise any person appointed under section 3 to assist him to investigate all offences punishable under this Act.

(2) Every person so authorised shall in the conduct of such investigation exercise the powers conferred by the Code of Criminal Procedure, 1898 (Act V of 1898) upon an officer in charge of a police station for the investigation of a cognizable offence.

26. Compounding of offences.—(1) Subject to such conditions as may be prescribed, the Collector may accept, from any person alleged to have committed an offence under sub-section (1) of section 24 or under any rules made under this Act, either before or after the commencement of any proceedings against such person in respect of such offence, by way of composition for such offence, a sum not exceeding five hundred rupees or where the offence alleged to have been committed is under clause (a) or clause (b) of that sub-section, not exceeding double the amount of the tax which would have been payable by such person had he complied with the provisions of the Act, whichever is greater.

(2) On payment in full of such sum as may be determined by the Collector under sub-section (1)—

(a) no proceedings shall be commenced against such person as aforesaid; and

(b) if any proceedings have been already commenced against such person as aforesaid, such proceedings shall not be further proceeded with.

27. Indemnity.—No suit, prosecution or other legal proceedings shall lie against any servant of the Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

28. Returns etc. to be confidential.—(1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act other than proceedings before a Criminal Court, shall, save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872 (I of 1872), no Court shall save as aforesaid, be entitled to require any servant of the Government to produce before it any such statement, return, account,

document or record or any part thereof, or to give evidence before it in respect thereof.

(2) Nothing in sub-section (1) shall apply to the disclosure—

(a) of any of the particulars referred to in sub-section (1) for the purposes of a prosecution under the Indian Penal Code, 1860 (Act No. LV of 1860) in respect of any such statement, return, accounts, document or evidence, or for the purpose of a prosecution under this Act; or

(b) of such facts, to an officer of the Central Government, as may be necessary for the purpose of enabling that Government to levy or realise any tax imposed by it.

29. Power to make rules.—(1) The State Government may make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may prescribe—

(a) the portion of the amount of money consideration referred to in sub-clause (i) of clause (1) of sub-section (1) of section 2;

(b) the further period after the date of expiry of three consecutive years referred to in sub-section (3) of section 4;

(c) the particulars to be contained in a declaration furnished under the proviso to sub-clause (i) of clause (a) of sub-section (2) of section 5;

(d) the other sales, the turnover in respect of which, may be deducted from a dealer's gross turnover in computing his taxable turnover as defined in sub-section (2) of section 5;

(e) the authority to which applications for registration under section 6 or section 7 shall be made;

(f) the procedure for, and other matters incidental to, the registration of dealers and the granting of certificates or registration and the form of such certificate under section 6 or section 7;

(g) the intervals at which, and manner in which the tax under this Act shall be payable under section 9;

(h) the returns to be furnished under sub-section (2) of section 9, and the date by which, and the authority to which, such returns shall be furnished;

(i) the date by which the returns for any period are to be furnished and the procedure to be followed in an assessment of the tax under section 10;

(j) the manner in which refunds under section 11 shall be made;

(k) the accounts and the form thereof required by section 12;

(l) the conditions subject to which the production of accounts or documents or the furnishing of the information may be required under sub-section (1) of section 13;

(m) the restrictions and conditions subject to which the Collector may delegate his powers under section 14;

(n) the time within which and the authority to which information shall be furnished under section 15;

(o) the manner in which, and the authority to which appeals against the assessment may be preferred under section 18;

(p) the authority which may exercise the powers of the Revising Authority under section 19;

(q) the procedure for regulating proceedings before an appellate and revisional or reviewing authority including any fees to be charged in respect of any appeal or revision or review;

(r) the conditions under which offences may be compounded under section 26;

(s) the manner in which and the time within which, applications shall be made, information furnished and notices served, under this Act.

(3) In making any rule under this section, the State Government may direct that the breach thereof shall be punishable with fine not exceeding five hundred rupees and when the offence is a continuing one, with a daily fine not exceeding twenty-five rupees during the continuance of the offence.

30. Act not to impose or authorise taxation in certain cases.—(1) Nothing contained in this Act shall be deemed to impose, or authorise the imposition of, a tax on the sale or purchase of any goods, where such sale or purchase takes place—

(a) (i) outside the State of Ajmer, or

(ii) in the course of the import of the goods into the territory of India or of the export of the goods out of such territory, or

(b) except in so far as Parliament may by law otherwise provide, in the course of inter-State trade or commerce, and the provisions of this Act shall be read and construed accordingly.

Explanation.—For the purpose of clause (a) (i), a sale or purchase shall be deemed to have taken place in the State in which the goods have actually been delivered as a direct result of such sale or purchase for the purpose of consumption in that State, notwithstanding the fact that under the general law relating to sale of goods, the property in the goods has by reason of such sale or purchase passed in another State.

(2) Notwithstanding anything contained in this Act, no tax shall be payable on sale of electricity (whether produced by the Government or any other person) which is—

(a) consumed by the Central Government or sold to the Central Government for consumption by that Government;

(b) consumed in the construction, maintenance or operation of any railway by the Central Government or a railway company, operating that railway or sold to that Government or any such railway company for consumption in the construction, maintenance or operation of any railway.

THE FIRST SCHEDULE**[See proviso (i) to section 5 (I)]**

Serial No.	Description of goods
1.	Rice, cereals and pulse in all forms, including bran flour, atta, maida, suji and bread (except when any such article is sold in sealed containers) and products of atta, maida, suji and besan.
2.	Fresh and dried fruits, sugar-cane, coconuts, vegetables, edible tubers, vegetable and flower seeds, bulbs and plants, excluding orchids [except (i) any medicine prepared from any one or more of such articles; and (ii) when any such article is sold in sealed containers].
3.	Fresh milk, whole or separate, and milk products, including butter, ghcc, chana and khoa.
4.	Meat, fish, eggs and sweetmeats (except when any such article is sold in sealed containers).
5.	Gur.
6.	Salt.
7.	Cotton seeds, jute seeds, raw jute, sun-hemp and mesta.
8.	Tractors.
9.	Fertilisers and manures, agricultural machinery and implements, including parts of such machinery and implement.
10.	Cattle feeds.
11.	Books, exercise books, slates and slate pencils and periodical journals.
12.	Edible oils pressed on kohlus by human or animal labour; ghee but not vegetable ghee or vanaspati.
13.	Charcoal, coal, including coke and firewood.
14.	Tobacco leaves whether green or dry, crushed or uncrushed, except when sold in sealed containers.
15.	Paper and 'News Print'.

Serial No.	Description of goods
16.	Coarse cotton cloth, and all cloth (including woollen and silken cloth) manufactured on handlooms, and cloth hand printed in fast colours. <i>Explanation.</i> —"Coarse cloth" means any cloth in which the count of warp yarn employed (excluding the border) is below 17s. (whether single or folded).
17.	Matches.
18.	Kerosene oil.
19.	Electric energy supplied to Municipal Boards and District Boards for streets and to other public purposes.
20.	Copper, tin, zinc and other alloys.
21.	Sandal wood oil.
22.	Water but not aerated-water.
23.	Aviation spirit.
24.	Raw cotton including ginned and unginned cotton or Kapas; cotton thread and cotton yarn.
25.	Such Products of cottage industries as may be prescribed.
26.	Ayurvedic, Unani, Homeopathic and such other medicines as may be prescribed.

THE SECOND SCHEDULE

[See proviso (ii) to section 5 (1)]

Serial No.	Description of goods
1.	Edible oils other than those pressed on kohlus by human or animal labour and oil seeds from which edible oils are extracted.
2.	Medium cotton cloth made in mills or woven on power-looms. <i>Explanation.</i> —"Medium cloth" means any cloth in which the count of warp yarn employed (excluding the border) is 17s. or finer but is less than 35s. (whether single or folded).

Serial No.	Description of goods
3.	Hides and skins.
4.	Petroleum and petroleum products, excluding kerosene, motor spirit and aviation spirit.
5.	Iron and steel.

V. N. BHATIA,

Secretary to the Govt. of Ajmer.